

Advantages of a Standard Model for MJ Services in Michigan

Farm Markets.

Defined – Farm Market: Any establishment who's services include the dispensation of Medical MJ wherein the Final Compensation (or Cost of Goods Sold - COGS) is set by the LARA registered Caregiver and/or overage producing Patient. One could also refer to this model of distribution services as a "Farm Market", or a Producer Consign Markets (PCM's).

Defined – Farmer: Any LARA registered Patient or Caregiver who produces medicine at a home-farm. Thus, any legal potential producer can be defined as a "farmer", or "medicinal farmer".

NOTE: All MJ Servers "dispense" as dispensing is a verb. Just as all people walk, but we do not call ourselves "walkers". PCM Farm Markets and Colorado style buy/sell "dispensaries" represent two very different paths for Michigan.

Adherence to Act with Natural Checks and Balances.

The PCM MJ Service Model of Provisioning adheres most closely with the 2008 Michigan Medical Marihuana Act (The Act). In fact, a properly managed PCM is simply an amalgamation of already protected conduct facilitated in an organized way, and concentrated into a safe and observable location. But PCM provisioning also provides natural checks & balances that avoid perceived problems.

Examples:

Vocational producers with overages desire the highest level of compensation for their produce. Consuming Patients, however, want the best value (or price/quality ratio). By allowing local "farmers" to vie for consumer requested transfers under one roof, PCM producers naturally lower their price of compensation as they compete for more transfers. This free market competition among farmers naturally provides patients superior price, quality, and selection simply by displaying together with the producer consigned price. The same free-market process itself brings us to the lowest natural price before any taxation or fees.

Through time, PCM's allow the best vocational producers to be identified through consumer demand alone. Yet, PCM's also offer an equal chance for new vocational producers to enter on an "even playing field". Thus PCM's naturally avoid middle-man market manipulation.

It should be also noted that sick people are not necessarily granted the knowledge or experience of a long time vocational "farmer", nor should they be expected to upon diagnosis. So it is in the best interest of Patients Public Health and Safety to engage in a system that naturally allows the hardest working farmers to be compensated, and thus further invest in even greater efficiency, safety, and

quality. However again, this same model also allows a sick patient who does master farming to share quality medicine with other patients at a PCM as well.

Thus, the greatest benefit for both patients and producers is accomplished by the organized sharing of a PCM model.

Advantages of Adopting a Standard PCM Farm Market Model:

Some Were Promised “No Colorado or California style ‘Dispensaries’ “, yet, clearly any legal production needs a legal distribution model for the already existing market. However:

- PCM provisioning model keeps marihuana medicinal in Michigan as the voters assented to. Yet also works in conjunction with decriminalization or legalization on a local level, if that becomes the case.
- FARM MARKET PCM's most closely adhere to an Act unique to Michigan, and adopting PCM's as a Standard Model would represent a unique path for MJ Services in Michigan. Which, in turn...
- Prevents the immediate onslaught of “carpetbaggers” from out-of-state who have already operated under this model, and saved revenue for years. Adopting buy/sell as a business enables them to purchase entire crops and manipulate entire markets – this will alienate patients from the best value, and may cause a 2nd ‘green rush’ if passed.
- PCM's exclude the need for ‘middle-man’ distributors and profiteers. And narrow a potential door to inter-state commerce issues. PCM's as a standard provisioning model would give Michigan a chance to develop domestically on its own terms.
- PCM's represents a step forward in MJ Services. PCM's as a Standard Model is a guaranteed working and middle-class building measure, as (in CA's case) 80% of the revenue stayed in the hands of local producers who fuel local economies.
- PCM's make Michigan a “Caregiver” as opposed to “Dispensary” state.

Proliferation Concerns Addressed

- Because a local Farm Market PCM relies on an agreed upon Service Fee, the Farm Market itself only gains revenue by the volume of transfers facilitated. ONLY VOLUME = REVENUE FOR PCM's.
- Thus, PCM's are *naturally* limited to a given demographic capacity for each given area. Where there enough local Patient's and Caregiver's, PCM's will arise and survive if they can live up to standards, and pay all Licensing and other running costs. Where the demographic need is more dispersed, so shall viable PCM's be by this natural check to proliferation.
- This is in addition to any Regulatory, Licensing, or Zoning Statutes provided.
- Inter-State Commerce is encouraged by the Colorado/California service methods, and this will be difficult to control if out-of-state “distributors” have locations to send produce from abroad to. And many locations lie in wait to do so if PCM is not adopted.

- Record keeping, exacting inventory records, and transparency required by a PCM model discourages any less dedicated operator from attempting to open a market at all.

ADMINISTRATIVE ADVANTAGES OF PCM "Farm Market" Model as standard provisioning for Michigan.

- If MJ Services in Michigan follow a Standard Model, any future problems we encounter can be easily isolated, and addressed. With one simple change of policy, every PCM in Michigan would enact the change, or be impelled to upon inspection. If we have Buy/Sell and other models, each action may be fought over or interpreted differently for that model.
- As patient-to-patient "sales" (transfers facilitated between patients, as opposed to caregiver to registered patient) in commercial areas are also protected if the local Prosecutor does not seek injunctive relief, the PCM should be sales taxable if filed as an LLC with the purpose "To provide legally for Michigan patients in accordance with...." or some such.
- If PCM's are combined with a statewide data base that only PCM Administrators (compliance officers or program administrators) can access, and they check-in consigned inventory for the PCM and enter the data into the database, Michigan will be capable of inventory tracking that makes going "over limit" in the database impossible for producers or consumers. Anomalous influxes of MJ from producers could be tracked or inspected to curtail inter-state commerce.
- Revenue Saving - A PCM so closely resembles the Act that cameras on individual farmers or PCM's need not be observed by the State as they are at great cost in Colorado. It would be easy for a state Program Administrator to set up, or teach an inspection system for HIPPA compliance, and proper accounting and inventory practices even before a statewide database was available.
- Brandon McQueen has a working copy of a "Unified Standards and Practices Act" that proposes such a database.

PCM's as an evolution towards responsible MJ policy Michigan can be proud of.

- Many states have given up on medicinal MJ entirely, or have simply followed models of distribution already undertaken by other states. But PCM's are extremely unique in that they survive off of an equal and agreed upon service fee, 75 – 85% of the revenue stays with the producing household. This in turn leads to stability, and re-investment in homes and farms. Not only will this increase consumer spending more than it has in other mj states, it will lead to a tighter real estate market over time. I have already seen people move back to Michigan prior to the Court of Appeals ruling, and there is no doubt former Michigan citizens would come back if markets were available and chaos no longer an issue.
- The California / Colorado style "dispensaries" and the Cottage-Industry Caregiver debate is coming to head right here in Michigan. And whether Michigan rolls over and goes with the Buy / Sells "distributor model" that out-of-state backers adhere to, or whether Michigan embarks on a new course towards a cottage-industry and middle class building PCM Model *will* have a profound effect of the future of this movement, and the ability of buy / sell models to continue rolling through state by state.

- PCM's in conjunction with a statewide database for all registered patients and caregivers would quickly prove itself to be the most effective and innovative Standard Model in the nation. I am convinced it would protect Michigan from Inter-State Commerce better than any other model, and allow us to develop Michigan along our own lines, with our own producers.

Disadvantages of Buy / Sell

- Often fund politics, as opposed to patients or farmers. Helps them to continue on to the next state.
- Creates easy access points for inter-state commerce. And thus creates interstate commerce markets.
- Difficult to track, lacks transparency.
- Market is manipulated by middle-men "profiteers" who buy up entire yields from multiple farmers in one location, and then have an easy time fixing prices.
- Manipulated, as opposed to natural lowest, market price before taxation, thus less potential for taxation.
- Advantage to out-of-state entities with saved revenue upon passage = 2nd green rush.
- Follower as opposed to leadership role for Michigan.

Epilogue

Frankly, it seems to me that in many states, efforts have been made to provide for "medical" marijuana. And it seems that so far the ensuing disorder is exploited to blame others, and pursue full on legalization. I propose we in Michigan provide a Model that other States can look to in order to achieve a socially responsible form of provisioning, and better harness the power of medical mj for everyone in Michigan. It is only by these means that a "domino effect" of continued legalization will be avoided, if it can be at all. Each new state that adopts "medical" marijuana, especially those where prosecutors attempt to stymie MJ Services, seems to be bullied into greater laxity. If another provisioning model were offered, these efforts toward legalization would become efforts towards compliance with Michigan standard practices.

Michigan should take a stand, and provide a model that achieves medicinal marihuana the voters demanded so well that people prefer it to the underground market. A socially responsible provisioning model that *can* be embraced by all parties, regulated, and taxed. Denying this work only hurts all parties involved, while a service model that would benefit all parties involved stares us in the face.

Best of all, we in Michigan *can* do this, and we can do it now. Sometimes when you know something will work, you have to give it a shot even if it annoys some people. We could bring unity to disorder with one swift piece of legislation. Any current or former operator out there who cares about patients, who if offered state sanctity for adopting a Standard Model PCM, would *immediately* set about doing so. As opposed to flying out west, and pouring more money into saved leases for a model with less benefit, and more potential for greed.